

**SECRET**

OC-M-72-237  
12 APR 1972

MEMORANDUM FOR:

25X1A

SUBJECT : U.S. v. IBM

REFERENCE : DD/S 72-1081, dated 17 March 1972

1. I have checked further into OC dealings with the IBM Corporation and find that OC is not a significant direct user of IBM equipment or services by anyone's standards. We have used IBM equipment and services for several years on a lease basis for cryptographic equipment accounting purposes.

2. We currently have a service contract for cryptographic accounting purposes in

25X1A

Our current lease costs \$20,000.00 per year. There is little likelihood that our current needs would increase above present levels.

3. In 1963, when MAX I bids were being solicited, IBM was among the many competent contractors invited to bid on the project. The Collins Company was awarded the contract on the basis of price and experience. IBM's proposed bid cost on this program was close to double the cost of the successful contractor.

Executive Assistant/OC

25X1A

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